



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2845

by Rep. Esther Golar

SYNOPSIS AS INTRODUCED:

20 ILCS 630/2	from Ch. 48, par. 2402
20 ILCS 630/3	from Ch. 48, par. 2403
20 ILCS 630/5	from Ch. 48, par. 2405
30 ILCS 787/5	
30 ILCS 787/15	
30 ILCS 787/25	
820 ILCS 405/1506.1	from Ch. 48, par. 576.1

Amends the Illinois Emergency Employment Development Act. Provides that the Department of Employment Security, rather than the Department of Commerce and Economic Opportunity, shall administer that Act. Amends the 21st Century Workforce Development Fund Act to provide for administration by the Department of Employment Security, rather than the Department of Commerce and Economic Opportunity. Authorizes expenditures of moneys in the 21st Century Workforce Development Fund for implementation of the Illinois Emergency Employment Development Act and to provide that the Fund is not subject to administrative charge-backs. Amends the Unemployment Insurance Act to impose a 0.1% surcharge on employer contributions under that Act for deposit into the 21st Century Workforce Development Fund.

LRB098 09731 JLS 39880 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Emergency Employment Development
5 Act is amended by changing Sections 2, 3, and 5 as follows:

6 (20 ILCS 630/2) (from Ch. 48, par. 2402)

7 Sec. 2. For the purposes of this Act, the following words
8 have the meanings ascribed to them in this Section.

9 (a) "Advisory Committee" means the 21st Century Workforce
10 Development Fund Advisory Committee, established under the
11 21st Century Workforce Development Fund Act.

12 (b) "Coordinator" means the Illinois Emergency Employment
13 Development Coordinator appointed under Section 3.

14 (c) "Department" means the Illinois Department of
15 Employment Security ~~Commerce and Economic Opportunity~~.

16 (d) "Director" means the Director of Employment Security
17 ~~Commerce and Economic Opportunity~~.

18 (e) "Eligible business" means a for-profit business.

19 (f) "Eligible employer" means an eligible nonprofit
20 agency, or an eligible business.

21 (g) "Eligible job applicant" means a person who (1) has
22 been a resident of this State for at least one year; and (2) is
23 unemployed; and (3) is not receiving and is not qualified to

1 receive unemployment compensation or workers' compensation;
2 and (4) is determined by the employment administrator to be
3 likely to be available for employment by an eligible employer
4 for the duration of the job.

5 (h) "Eligible nonprofit agency" means an organization
6 exempt from taxation under the Internal Revenue Code of 1954,
7 Section 501(c)(3).

8 (i) "Employment administrator" means the administrative
9 entity designated by the Coordinator, and approved by the
10 Advisory Committee, to administer the provisions of this Act in
11 each service delivery area. With approval of the Advisory
12 Committee, the Coordinator may designate an administrative
13 entity authorized under the Workforce Investment Act or
14 private, public, or non-profit entities that have proven
15 effectiveness in providing training, workforce development,
16 and job placement services to low-income individuals.

17 (j) "Fringe benefits" means all non-salary costs for each
18 person employed under the program, including, but not limited
19 to, workers compensation, unemployment insurance, and health
20 benefits, as would be provided to non-subsidized employees
21 performing similar work.

22 (k) "Household" means a group of persons living at the same
23 residence consisting of, at a maximum, spouses and the minor
24 children of each.

25 (l) "Program" means the Illinois Emergency Employment
26 Development Program created by this Act consisting of new job

1 creation in the private sector.

2 (m) "Service delivery area" means an area designated as a
3 Local Workforce Investment Area by the State.

4 (n) "Workforce Investment Act" means the federal Workforce
5 Investment Act of 1998, any amendments to that Act, and any
6 other applicable federal statutes.

7 (Source: P.A. 97-581, eff. 8-26-11.)

8 (20 ILCS 630/3) (from Ch. 48, par. 2403)

9 Sec. 3. Illinois Emergency Employment Development
10 Coordinator.

11 (a) The governor shall appoint an Illinois Emergency
12 Employment Development Coordinator to administer the
13 provisions of this Act. The coordinator shall be within the
14 Department of Employment Security ~~Commerce and Economic~~
15 ~~Opportunity~~, but shall be responsible directly to the governor.
16 The coordinator shall have the powers necessary to carry out
17 the purpose of the program.

18 (b) The coordinator shall:

19 (1) recommend one or more Employment Administrators
20 for each service delivery area for approval by the Advisory
21 Committee, with recommendations based on the demonstrated
22 ability of the Employment Administrator to identify and
23 address local needs;

24 (2) enter into a contract with one or more Employment
25 Administrators in each service delivery area;

1 (3) assist the Employment Administrator in developing
2 a satisfactory plan if an Employment Administrator submits
3 one that does not conform to program requirements;

4 (4) convene and provide staff support to the Advisory
5 Committee;

6 (5) coordinate the program with other State agencies
7 and services including public benefits and workforce
8 programs for unemployed individuals; and

9 (6) perform general program marketing and monitoring
10 functions.

11 (c) The coordinator shall administer the program within the
12 Department of Employment Security ~~Commerce and Economic~~
13 ~~Opportunity~~. The Director of Employment Security ~~Commerce and~~
14 ~~Economic Opportunity~~ shall provide administrative support
15 services to the coordinator for the purposes of the program.

16 (d) The coordinator shall report to the Governor, the
17 Advisory Committee, and the General Assembly on a quarterly
18 basis concerning (1) the number of persons employed under the
19 program; (2) the number and type of employers under the
20 program; (3) the amount of money spent in each service delivery
21 area for wages for each type of employment and each type of
22 other expenses; (4) the number of persons who have completed
23 participation in the program and their current employment,
24 educational or training status; (5) any information requested
25 by the General Assembly, the Advisory Committee, or governor or
26 deemed pertinent by the coordinator; and (6) any identified

1 violations of this Act and actions taken. Each report shall
2 include cumulative information, as well as information for each
3 quarter.

4 (e) Rules. The Director ~~of Commerce and Economic~~
5 ~~Opportunity~~, with the advice of the coordinator and the
6 Advisory Committee, shall adopt rules for the administration
7 and enforcement of this Act. Rules in effect on the effective
8 date of this amendatory Act of the 98th General Assembly shall
9 continue in force and effect until amended by the Director.

10 (Source: P.A. 96-995, eff. 1-1-11; 97-581, eff. 8-26-11.)

11 (20 ILCS 630/5) (from Ch. 48, par. 2405)

12 Sec. 5. (a) Allocation of funds among eligible job
13 applicants within a service delivery area shall be determined
14 by the Private Industry Council for each such service delivery
15 area. The Private Industry Council shall give priority to

16 (1) applicants living in households with no other
17 income source; and

18 (2) applicants who would otherwise be eligible to
19 receive general assistance.

20 (b) Allocation of funds among eligible employers within
21 each service delivery area shall be determined by the Private
22 Industry Council for each such area according to the priorities
23 which the Director ~~of Commerce and Economic Opportunity~~, upon
24 recommendation of the coordinator, shall by rule establish. The
25 Private Industry Council shall give priority to funding private

1 sector jobs to the extent that businesses apply for funds.

2 (Source: P.A. 94-793, eff. 5-19-06.)

3 Section 10. The 21st Century Workforce Development Fund Act
4 is amended by changing Sections 5, 15, and 25 as follows:

5 (30 ILCS 787/5)

6 Sec. 5. The 21st Century Workforce Development Fund. The
7 21st Century Workforce Development Fund is created as a special
8 fund in the State Treasury. The Fund shall be administered by
9 the Department of Employment Security ~~Commerce and Economic~~
10 ~~Opportunity~~ ("the Department"), in consultation with other
11 appropriate State agencies, and overseen by the 21st Century
12 Workforce Development Fund Advisory Committee ("the Advisory
13 Committee"). There shall be credited to the Fund any moneys
14 specifically designated for deposit into the Fund, including
15 State appropriations, set asides from public expenditures on
16 capital projects, federal funds, gifts, grants, and private
17 contributions. Earnings attributable to moneys in the Fund ~~fund~~
18 shall be deposited into the Fund ~~fund~~. There shall also be
19 deposited into the Fund all amounts collected under subsection
20 H of Section 1506.1 of the Unemployment Insurance Act.

21 On and after the effective date of this amendatory Act of
22 the 98th General Assembly, and notwithstanding any other law to
23 the contrary, the Fund shall not be subject to administrative
24 charge-backs.

1 (Source: P.A. 96-771, eff. 8-28-09.)

2 (30 ILCS 787/15)

3 Sec. 15. Use of Fund.

4 (a) Role of Fund. Subject to appropriation, resources from
5 the Fund are intended to be used flexibly to support innovative
6 and locally-driven strategies, to leverage other funding
7 sources, and to fill gaps in existing workforce development
8 resources in Illinois. They are not intended to supplant
9 existing workforce development resources.

10 (b) Distribution of funds. Funds shall be distributed
11 through competitive grantmaking processes administered by the
12 Department and overseen by the Advisory Committee. No more than
13 6% of funds used for grants may be retained by the Department
14 for administrative costs or for program evaluation or technical
15 assistance activities.

16 (c) Grantmaking. The Department must administer funds
17 through competitive grantmaking in accordance with the
18 priorities described in this Act. Grantmaking must be used to
19 support workforce development strategies consistent with the
20 priorities outlined in this Act. Strategies may include, but
21 are not limited to the following:

22 (i) Expanded grantmaking for existing State workforce
23 development strategies, including the Job Training and
24 Economic Development Program and programs designed to
25 increase the number of persons traditionally

1 underrepresented in the building trades, specifically
2 minorities and women.

3 (ii) Workforce development initiatives that help the
4 least skilled adults access employment and education
5 opportunities, including transitional jobs programs and
6 educational bridge programming that integrate basic
7 education and occupational skills training.

8 (iii) Sectoral strategies that develop
9 industry-specific workforce education and training
10 services that lead to existing or expected jobs with
11 identified employers and that include services to ensure
12 that low-income, low-skilled adults can be served.

13 (iv) Support for the development and implementation of
14 workforce education and training programs in the energy
15 efficiency, renewable energy, and pollution control
16 cleanup and prevention industries.

17 (v) Support for planning activities that: ensure that
18 workforce development and education needs of low-skilled
19 adults are integrated into industry-specific career
20 pathways; analyze labor market data to track workforce
21 trends in the State's energy-related initiatives; or
22 increase the capacity of communities to provide workforce
23 services to low-income, low-skilled adults.

24 (vi) Implementation of the Illinois Emergency
25 Employment Development Act.

26 (d) Allowable expenditures. Grant funds are limited to

1 expenditures for the following:

2 (i) Basic skills training, adult education,
3 occupational training, job readiness training, and
4 soft-skills training for which financial aid is otherwise
5 not available.

6 (ii) Workforce development-related services including
7 mentoring, job development, support services,
8 transportation assistance, and wage subsidies, that are
9 tied to participation in training and employment.

10 (iii) Capacity building, program development, and
11 technical assistance activities necessary for the
12 development and implementation of new workforce education
13 and training strategies.

14 No more than 5% of any grant may be used for administrative
15 costs.

16 (e) Eligible applicants. For grants under this Section,
17 eligible applicants include the following:

18 (i) Any private, public, and non-profit entities that
19 provide education, training, and workforce development
20 services to low-income individuals.

21 (ii) Educational institutions.

22 (iii) Labor and business associations.

23 (Source: P.A. 96-771, eff. 8-28-09; 97-581, eff. 8-26-11.)

24 (30 ILCS 787/25)

25 Sec. 25. 21st Century Workforce Development Fund Advisory

1 Committee. The 21st Century Workforce Development Fund
2 Advisory Committee shall review, advise, and recommend for
3 approval or denial all grant requests from the Fund. The
4 Department is responsible for the administration and staffing
5 of the Advisory Committee.

6 (a) Membership. The Committee shall consist of 21 persons.
7 Co-chairs shall be appointed by the Governor with the
8 requirement that one come from the public and one from the
9 private sector.

10 (b) Eleven members shall be appointed by the Governor, and
11 any of the 11 members appointed by the Governor may fill more
12 than one of the following required categories:

13 (i) Four must be from communities outside of the City
14 of Chicago.

15 (ii) At least one must be a member of a local workforce
16 investment board (LWIB) in his or her community.

17 (iii) At least one must represent organized labor.

18 (iv) At least one must represent business or industry.

19 (v) At least one must represent a non-profit
20 organization that provides workforce development or job
21 training services.

22 (vi) At least one must represent a non-profit
23 organization involved in workforce development policy,
24 analysis, or research.

25 (vii) At least one must represent a non-profit
26 organization involved in environmental policy, advocacy,

1 or research.

2 (viii) At least one must represent a group that
3 advocates for individuals with barriers to employment,
4 including at-risk youth, formerly incarcerated
5 individuals, and individuals living in poverty.

6 (c) The other 10 members shall be the following:

7 (i) The Director of Commerce and Economic Opportunity,
8 or his or her designee who oversees workforce development
9 services.

10 (ii) The Secretary of Human Services, or his or her
11 designee who oversees human capital services.

12 (iii) The Director of Corrections, or his or her
13 designee who oversees prisoner re-entry services.

14 (iv) The Director of Employment Security ~~the~~
15 ~~Environmental Protection Agency~~, or his or her designee who
16 oversees contractor compliance.

17 (v) The Chairman of the Illinois Community College
18 Board, or his or her designee who oversees technical and
19 career education.

20 (vi) A representative of the Illinois Community
21 College Board involved in energy education and sustainable
22 practices, designated by the Board.

23 (vii) Four State legislators, one designated by the
24 President of the Senate, one designated by the Speaker of
25 the House, one designated by the Senate Minority Leader,
26 and one designated by the House Minority Leader.

1 (d) Appointees under subsection (b) shall serve a 2-year
2 term and are eligible to be re-appointed one time. Members
3 under subsection (c) shall serve ex officio or at the pleasure
4 of the designating official, as applicable.

5 (Source: P.A. 96-771, eff. 8-28-09.)

6 Section 15. The Unemployment Insurance Act is amended by
7 changing Section 1506.1 as follows:

8 (820 ILCS 405/1506.1) (from Ch. 48, par. 576.1)

9 Sec. 1506.1. Determination of Employer's Contribution
10 Rate.

11 A. The contribution rate for any calendar year prior to
12 1991 of each employer whose contribution rate is determined as
13 provided in Sections 1501 through 1507, inclusive, shall be
14 determined in accordance with the provisions of this Act as
15 amended and in effect on November 18, 2011.

16 B. (Blank).

17 C. (Blank).

18 D. (Blank).

19 E. The contribution rate for calendar year 1991 and each
20 calendar year thereafter of each employer who has incurred
21 liability for the payment of contributions within each of the
22 three calendar years immediately preceding the calendar year
23 for which a rate is being determined shall be the product
24 obtained by multiplying the employer's benefit ratio defined by

1 Section 1503.1 for that calendar year by the adjusted state
2 experience factor for the same year, provided that:

3 1. Except as otherwise provided in this paragraph, an
4 employer's minimum contribution rate shall be the greater
5 of 0.2% or the product obtained by multiplying 0.2% by the
6 adjusted state experience factor for the applicable
7 calendar year. An employer's minimum contribution rate
8 shall be 0.1% for calendar year 1996. An employer's minimum
9 contribution rate shall be 0.0% for calendar years 2012
10 through 2019.

11 2. An employer's maximum contribution rate shall be the
12 greater of 6.4% or the product of 6.4% and the adjusted
13 state experience factor for the applicable calendar year.

14 3. If any product obtained in this subsection is not an
15 exact multiple of one-tenth of one percent, it shall be
16 increased or reduced, as the case may be to the nearer
17 multiple of one-tenth of one percent. If such product is
18 equally near to two multiples of one-tenth of one percent,
19 it shall be increased to the higher multiple of one-tenth
20 of one percent.

21 4. Intermediate rates between such minimum and maximum
22 rates shall be at one-tenth of one percent intervals.

23 The contribution rate of each employer for whom wages
24 became benefit wages during the applicable period specified in
25 Section 1503 or for whom benefit payments became benefit
26 charges during the applicable period specified in Section

1 1503.1, but who did not report wages for insured work during
2 such period, shall be the maximum contribution rate as
3 determined by paragraph 2 of this subsection. The contribution
4 rate for each employer for whom no wages became benefit wages
5 during the applicable period specified in Section 1503 or for
6 whom no benefit payments became benefit charges during the
7 applicable period specified in Section 1503.1, and who did not
8 report wages for insured work during such period, shall be the
9 greater of 2.7% or 2.7% times the then current adjusted state
10 experience factor as determined by the Director in accordance
11 with the provisions of Sections 1504 and 1505.

12 F. (Blank).

13 G. Notwithstanding the other provisions of this Section, no
14 employer's contribution rate with respect to calendar year 1989
15 and each calendar year thereafter shall exceed 5.4% of the
16 wages for insured work paid by him during any calendar quarter,
17 if such wages paid during such calendar quarter total less than
18 \$50,000, plus any applicable penalty contribution rate
19 calculated pursuant to subsection C of Section 1507.1.

20 H. Notwithstanding any other provision of this Section,
21 beginning in calendar year 2014 and each calendar year
22 thereafter, an employer's contribution rate under this Section
23 shall be reduced by 0.1%. In addition to other contributions
24 required under this Section, an employer shall pay into the
25 21st Century Workforce Development Fund a contribution at the
26 rate of 0.1% of wages subject to unemployment payroll

1 contributions under Sections 1400 through 1500 of this Act. The
2 contributions required under this subsection shall be
3 collected in the same manner and at the same time as the other
4 contributions required under this Section. Administrative
5 costs necessary to collect the contributions required under
6 this subsection shall be paid out of the 21st Century Workforce
7 Development Fund.

8 (Source: P.A. 97-621, eff. 11-18-11; 97-791, eff. 1-1-13.)